

South Dakota Public Utilities Commission Meeting
Tuesday, March 27, 2007, at 9:30 A.M.
State Capitol Building, Room 412
Pierre, South Dakota

NOTE: If you wish to join this meeting by conference call, please contact the Commission at 605-773-3201 by 5:00 p.m. on March 26, 2007. Lines are limited and are given out on first come/first serve basis, subject to possible reassignment to accommodate persons who must appear in a proceeding. Ultimately, if you wish to participate in the Commission Meeting and a line is not available you may have to appear in person.

NOTE: To listen to the Commission Meeting live please go to the PUC's website www.puc.sd.gov and click on the LIVE button on the home page. The Commission requests that persons who will only be listening to proceedings and not actively appearing in a case listen via the webcast to free phone lines for those who have to appear. The Commission meetings are archived on the PUC's website under the Commission Actions tab and then click on the LISTEN button on the page.

NOTE: Notice is further given to persons with disabilities that this Commission meeting is being held in a physically accessible place. If you have special needs, please notify the Commission and we will make all necessary arrangements.

AGENDA OF COMMISSION MEETING

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission.
(Consumer Affairs: Deb Gregg)

Electric

1. EL06-020 In the Matter of the Application by Navitas Energy, Inc. for an Energy Conversion Facility Permit for the Construction of the White Wind Farm and Associated Collection Substation and Electric Interconnection System (Staff Analysts: Martin Bettmann/Bob Knadle/Nathan Solem, Staff Attorney: Karen Cremer)

On July 11, 2006, White Wind Farm, LLC, a wholly owned subsidiary of Navitas Energy, Inc., filed an application seeking an Energy Conversion Facility Permit to construct and operate the White Wind Farm. The White Wind Farm is a proposed 200 MW wind energy electricity generating facility and ancillary services located on approximately 93 acres in Sherman Township, southeast of White, South Dakota in Brookings County. The project consists of up to 105 2 MW wind turbine generators, associated electric collector lines, a collection substation and interconnection and upgrades to the WAPA White Substation. On September 8, 2006, Interstate Telecommunications Cooperative, Inc. (ITC) filed an Application for Party Status. The South Dakota Rural Electric Association (SDREA) filed a Petition to Intervene on September 11, 2006. On September 19, 2006, the Local Review Committee filed a request for \$2,000 from the Commission in order to hire a consultant to assist in carrying out the review committee's responsibilities.

Sioux Valley Electric (Sioux Valley) filed a Petition to Intervene on October 18, 2006. Intervention was granted to Sioux Valley at the October 31, 2006, commission meeting. On March 19, 2007, ITC filed a request to withdraw as a party to the docket. Party status was granted to ITC, intervention was granted to SDREA and the local review committee's request for \$2,000 to hire a consultant was granted at the September 26, 2006, commission meeting.

TODAY, shall the Commission Grant ITC's Request to Withdraw?

2. EL07-009 In the Matter of the Filing by Black Hills Power, Inc. for Approval of Tariff Revisions. (Staff Analysts: Brian Rounds/Dave Jacobson, Staff Attorney: Kara Van Bockern)

Application by Black Hills Power Inc. for approval to modify its tariffs affected by the trial change in Daylight Savings Time mandated by the Energy Policy Act of 2005. Black Hills is seeking expedited approval to modify the time periods referenced in the attached tariffs to the current meter programming during the evaluation of the modified Daylight Savings Time. This will avoid potentially duplicative costs from reprogramming the meters for this temporary change and then reprogramming a second time based upon the results of the trial Daylight Savings Time modification.

TODAY, shall the Commission Approve the Tariff Revisions?

Natural Gas

1. NG07-003 In the Matter of the Filing by NorthWestern Energy for Approval of a Contract with Deviations with Great Plains Ethanol. (Staff Analyst: Dave Jacobson, Staff Attorney: Karen Cremer)

Application by NorthWestern Energy for approval of contract with deviation and associated tariff revisions. NorthWestern is proposing to adopt the contract that was in effect between Great Plains Ethanol, LLC and NorthWestern Services Group. The rate that is currently contracted between the customer and NorthWestern will not change. The original contract was dated September 2, 2002, with a term of 15 years beginning at plant start up. Over the past year, Northwestern has evaluated its non-regulated businesses and has looked at the strategic value of each entity versus the resources that are dedicated to these business units. After a thorough evaluation of the non-regulated gas business in SD/NE, it has been decided by the Northwestern Services, LLC management committee to execute a strategy to shift the majority of this business (Nekota Resources, LLC) into the regulated utility and look at alternatives to divest the rest of this business.

TODAY, shall the Commission Approve the Contract with Deviations? AND, shall the Commission Approve the Tariff Revisions?

2. NG07-004 In the Matter of the Filing by NorthWestern Energy for Approval of a Contract with Deviations with James Valley Ethanol. (Staff Analyst: Dave Jacobson, Staff Attorney: Karen Cremer)

Application by NorthWestern Energy for approval of contract with deviation and associated tariff revisions. NorthWestern is proposing to adopt the contract that was in effect between James Valley Ethanol, LLC and NorthWestern Services Group. The rate that is currently contracted between the customer and NorthWestern will not change. The original contract was dated October 28, 2002, with a term of 15 years beginning at plant start up. Over the past year, Northwestern has evaluated its non-regulated businesses and has looked at the strategic value of each entity versus the resources that are dedicated to these

business units. After a thorough evaluation of the non-regulated gas business in SD/NE, it has been decided by the Northwestern Services, LLC management committee to execute a strategy to shift the majority of this business (Nekota Resources, LLC) into the regulated utility and look at alternatives to divest the rest of this business.

TODAY, shall the Commission Approve the Contract with Deviations? AND, shall the Commission Approve the Tariff Revisions?

3. NG07-005 In the Matter of the Filing by NorthWestern Energy for Approval of a Contract with Deviations with Redfield Energy LLC. (Staff Analyst: Dave Jacobson, Staff Attorney: Karen Cremer)

Application by NorthWestern Energy for approval of contract with deviation and associated tariff revisions. NorthWestern is proposing to adopt the contract that was in effect between Redfield Energy, LLC and NorthWestern Services Group. The rate that is currently contracted between the customer and NorthWestern will not change. The original contract was dated July 19, 2006, with a term of 15 years beginning at plant start up. Over the past year, Northwestern has evaluated its non-regulated businesses and has looked at the strategic value of each entity versus the resources that are dedicated to these business units. After a thorough evaluation of the non-regulated gas business in SD/NE, it has been decided by the Northwestern Services, LLC management committee to execute a strategy to shift the majority of this business (Nekota Resources, LLC) into the regulated utility and look at alternatives to divest the rest of this business.

TODAY, shall the Commission Approve the Contract with Deviations? AND, shall the Commission Approve the Tariff Revisions?

4. NG07-006 In the Matter of the Filing by NorthWestern Energy for Approval of a Contract with Deviations with South Dakota Soybean Processors. (Staff Analyst: Dave Jacobson, Staff Attorney: Karen Cremer)

Application by NorthWestern Energy for approval of contract with deviation and associated tariff revisions. NorthWestern is proposing to adopt the contract that was in effect between South Dakota Soybean Processors, LLC and NorthWestern Services Group. The rate that is currently contracted between the customer and NorthWestern will not change. The original contract was dated September 24, 2003, and will be effective until October 31, 2013. Over the past year, Northwestern has evaluated its non-regulated businesses and has looked at the strategic value of each entity versus the resources that are dedicated to these business units. After a thorough evaluation of the non-regulated gas business in SD/NE, it has been decided by the Northwestern Services, LLC management committee to execute a strategy to shift the majority of this business (Nekota Resources, LLC) into the regulated utility and look at alternatives to divest the rest of this business.

TODAY, shall the Commission Approve the Contract with Deviations? AND, shall the Commission Approve the Tariff Revisions?

5. NG07-007 In the Matter of the Filing by NorthWestern Energy for Approval of a Contract with Deviations with Sioux River Ethanol Plant. (Staff Analyst: Dave Jacobson, Staff Attorney: Karen Cremer)

Application by NorthWestern Energy for approval of contract with deviation and associated tariff revisions. NorthWestern is proposing to adopt the contract that was in effect between Sioux River Ethanol, LLC and NorthWestern Services Group. The rate that is currently contracted between the customer and

NorthWestern will not change. The original contract was dated July 11, 2003, with a term of 15 years beginning at plant start up. Over the past year, Northwestern has evaluated its non-regulated businesses and has looked at the strategic value of each entity versus the resources that are dedicated to these business units. After a thorough evaluation of the non-regulated gas business in SD/NE, it has been decided by the Northwestern Services, LLC management committee to execute a strategy to shift the majority of this business (Nekota Resources, LLC) into the regulated utility and look at alternatives to divest the rest of this business.

TODAY, shall the Commission Approve the Contract with Deviations? AND, shall the Commission Approve the Tariff Revisions?

6. NG07-008 In the Matter of the Filing by NorthWestern Energy for Approval of a Contract with Deviations with VeraSun Energy Corporation. (Staff Analyst: Dave Jacobson, Staff Attorney: Karen Cremer)

Application by NorthWestern Energy for approval of contract with deviation and associated tariff revisions. NorthWestern is proposing to adopt the contract that was in effect between VeraSun Energy Corporation, LLC and NorthWestern Services Group. The rate that is currently contracted between the customer and NorthWestern will not change. The original contract was dated October 23, 2002, with a term of 15 years beginning at plant start up. Over the past year, Northwestern has evaluated its non-regulated businesses and has looked at the strategic value of each entity versus the resources that are dedicated to these business units. After a thorough evaluation of the non-regulated gas business in SD/NE, it has been decided by the Northwestern Services, LLC management committee to execute a strategy to shift the majority of this business (Nekota Resources, LLC) into the regulated utility and look at alternatives to divest the rest of this business.

TODAY, shall the Commission Approve the Contract with Deviations? AND, shall the Commission Approve the Tariff Revisions?

7. NG07-009 In the Matter of the Request of NorthWestern Energy to Establish Deferral of Former Nekota Pipeline Gas Costs. (Staff Analysts: Dave Jacobson/Nathan Solem, Staff Attorney: Karen Cremer)

Application by NorthWestern Energy for Deferral of Certain Costs currently being charged through the Purchased Gas Adjustment. The reason for the proposed change is the fact the Nekota Assets have been merged into the Utility. As the pipelines would now be included in rates as rate base of the regulated utility, Nekota is no longer able to bill the Utility for the costs of the pipeline. Although the costs are a normal course of business, NorthWestern is not able to collect the costs through the Purchased Gas Adjustment (PGA) as they are no longer third-party costs. Due to the timing of this change in relation to the next rate case, NorthWestern requests to set up a deferral account to later recover the costs from customers.

TODAY, shall the Commission Allow NorthWestern to Establish a Deferral Regarding Former Nekota PGA Costs for Consideration in NorthWestern's Next General Rate Proceeding

Telecommunications

1. TC06-201 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and Midco Communications, Inc. d/b/a Midcontinent Communications. (Staff Attorney: Kara Van Bockern)

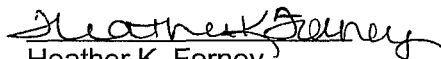
On December 19, 2006, the Commission received a filing for the approval of a Collocation

Amendment to the Interconnection Agreement between Qwest Corporation and Midco Communications, Inc. d/b/a Midcontinent Communications, Inc.

TODAY, shall the Commission Approve the Amendment to the Agreement?

Announcements

1. The next regularly scheduled Commission meeting will be held April 10, 2007, at 9:30 a.m. in Room 412, State Capitol Building, Pierre, SD.
2. Commission meetings are scheduled for April 24 and May 8, 2007.
3. A hearing in Docket TC06-191 will be held in Room 412, State Capitol Building, Pierre, SD, on April 3, 2007, beginning at 8:30 a.m.
4. A hearing in Dockets TC06-175 and TC06-176 will be held in Room 464, State Capitol Building, Pierre, SD, April 24 – 27, 2007. The hearing will begin at 1:30 p.m. on April 24, 2007, and at 8:30 a.m. on April 25, 26, and 27, 2007.



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March 20, 2007